

Consumer Price Index

Inflation continued to ease...

Falling gasoline prices drove Alberta's year-over-year inflation rate to 2.1%, its lowest level since June 2005. Nationally, the inflation rate fell to 2.0%. The US inflation rate plunged to 1.1% from 3.7% in October. This was the steepest one-month decline in US inflation history.



Existing Home Sales and Prices

Continued declines in the existing home market...

Existing home sales continued to fall in November and are now down 20.3% year-to-date. Average resale prices declined 4.2% from November 2007. Year-to-date prices are down 1.6% in Edmonton and 2.3% in Calgary. In the US, housing starts plummeted 18.9% to an all-time low in November.

Manufacturing Shipments

Sharp fall in Alberta's manufacturing shipments...

In November, Alberta's manufacturing shipments were down 6.8% from October. Lower commodity prices and a plant shutdown resulted in sharp declines in petroleum and chemical product shipments. Nationally, manufacturing shipments slipped 0.5% from the previous month.

Retail Sales

Some growth still in Alberta...

In October, Alberta retail sales continued to inch up 0.6% from September. Nationally, retail sales fell 0.9% on a month-over-month basis, largely the result of price reductions for gasoline, passenger

Canadian Dollar (US\$/C\$)

December 19, 2008	81.47
December 12, 2008	80.31
2008-09 YTD	93.03

WTI Oil US\$/bbl

December 18, 2008	\$ 36.22
December 11, 2008	\$ 47.98
2008-09 YTD	\$ 103.05

Nymex Natural Gas C\$/MMBtu^{*}

December 19, 2008	\$ 6.80
December 12, 2008	\$ 6.76

^{*}Estimate based on Nymex Futures Market Price

vehicles, women's clothing, and furniture.

Grain Deliveries

Grain deliveries rebound in November...

In November, grain deliveries for most products recovered from declines earlier in the year. Total wheat (+46.5%) and canola (29.4%) deliveries were up over November 2007. Year-to-date, total wheat deliveries are down 10.3%, while canola deliveries are up 18.4%.

Population Estimates

Alberta's population grew by 2.4% in Q3...

Alberta had the highest population growth rate among provinces in the third quarter of 2008. As of October 1, Alberta's population is estimated to be 3,610,782, up 2.4% from a year ago. Both net interprovincial (+4,927) and international migration (+4,907) remained strong and non-permanent residents reached a new record (+8,061). Overall, Canada's population grew 0.39% from the previous quarter to 33,441,277, the highest quarterly growth rate in nearly 20 years.

Financial Markets

Another volatile week...

This week the US Fed cut interest rates further to range between 0% and 0.25%, a new all-time low. The Canadian dollar recovered somewhat as the US dollar was driven lower by the unprecedented rate cut. OPEC also announced it would cut production by 2.46 million barrels per day. Oil prices and stock markets have continued to fall.